

Secret

25X1



DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

DIA review(s) completed.

Secret

53

31 March 1967
No. 0283/67

25X1

25X1

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5

Next 3 Page(s) In Document Exempt

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5

SECRET

FAR EAST

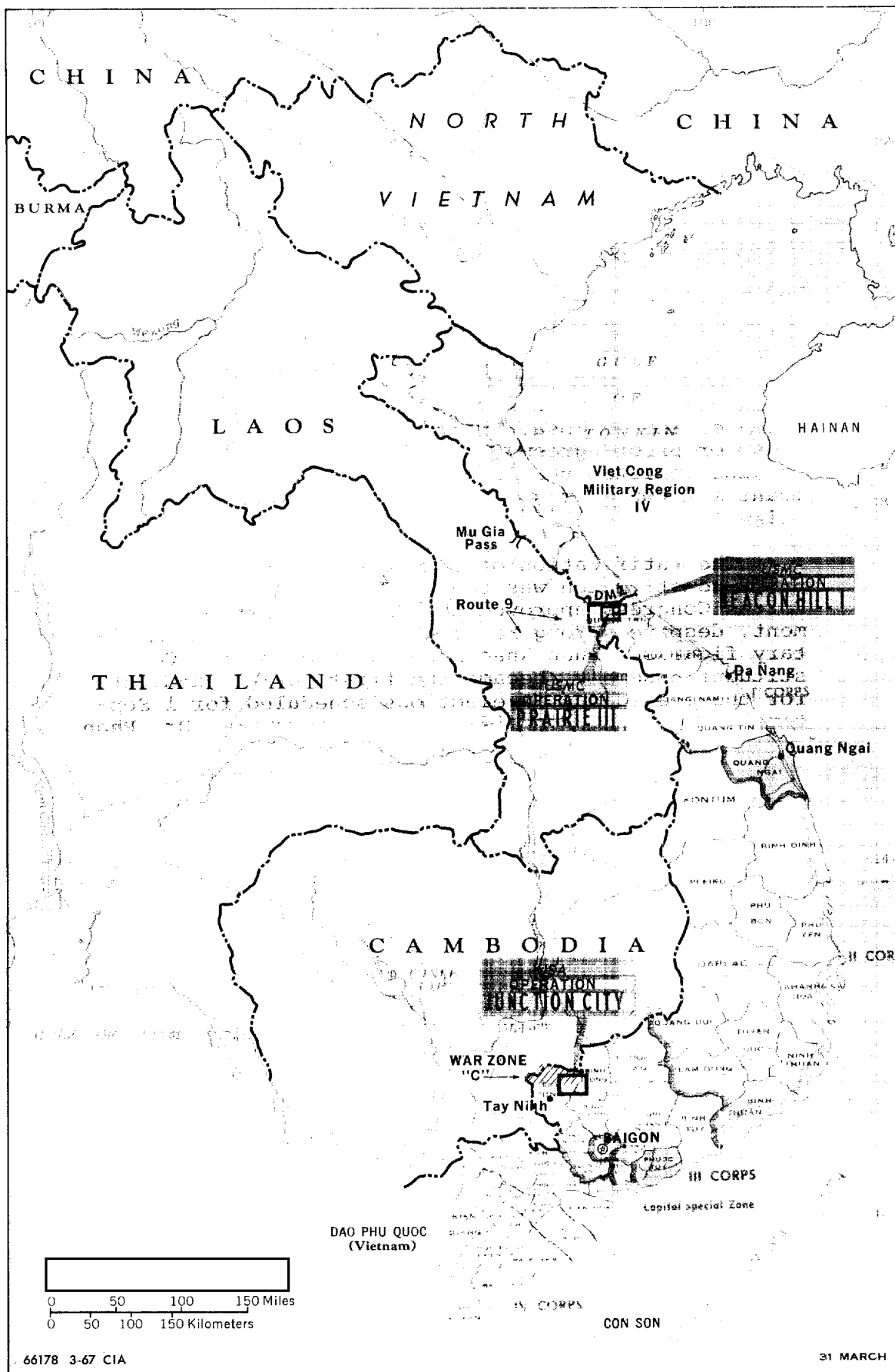
Hanoi continues to insist on a cessation of US bombing of North Vietnam prior to any preliminary talks on a conference to discuss a settlement of the Vietnam war. A spokesman of the North Vietnamese Foreign Ministry publicly criticized U Thant's mid-March proposal for a general standstill truce, preliminary talks, and reconvening of the Geneva conference, the day before the secretary general announced his latest plan. The Saigon government accepted the proposal in principle, but urged the need for prior agreement on the details of a truce. It also insisted that South Vietnam, contrary to Thant's formula, must participate in any preliminary talks.

The ratification of the Constituent Assembly's draft constitution was completed when the Armed Forces Congress approved the document without amendment, despite strong reservations by important military figures. Phan Khac Suu, chairman of the Constituent Assembly, became the first formal candidate for the presidency in elections scheduled for 1 September.

Premier Ky, meanwhile, continues his maneuvers to gain civilian support in his bid to become the military candidate for the presidency.

With China's cultural revolution marking time, Peking is moving ahead with efforts to curb Red Guard activities and to rebuild battered municipal and provincial administrations. Premier Chou En-lai continues to be the main spokesman for these policies. There are further signs that the army is taking a leading role in organizing provincial governments as well as guiding economic operations.

SECRET



SECRET

VIETNAM

Several sharp clashes have occurred as allied sweep operations continue to seek out Communist forces and bases.

The most extensive activity was in northernmost I Corps, particularly in northeastern Quang Tri Province where two US Marine operations--PRAIRIE III and BEACON HILL I--are combing the area just south of the Demilitarized Zone (DMZ) for elements of possibly four North Vietnamese Army (NVA) divisions. Attacks on marine positions on 27 March resulted in at least 65 American casualties. Farther south, the Communists ambushed large US and South Vietnamese convoys below Da Nang on 26 March.

Farther south near the Cambodian border, US units deployed throughout the eastern portion of Communist War Zone "C" in Operation JUNCTION CITY have met only light enemy resistance since the two unsuccessful regimental-size Viet Cong attacks of last week. On 28 March, JUNCTION CITY forces discovered a large underground warehouse capable of supporting a Communist division about 20 miles northeast of Tay Ninh city. The warehouse was empty except for a small quantity of small-arms ammunition, suggesting that the enemy evacuated needed supplies and material to avoid pos-

sible capture. This 21-battalion effort, which began on 21 February, so far has resulted in enemy losses of more than 1,900 killed. In contrast, American casualties are now 209 killed and 1,086 wounded.

Northeast of Saigon, captured enemy documents and redeployment of troops suggest that the 275th Regiment of the 5th Viet Cong Light Infantry Division may be preparing for offensive action in central and southern Phuoc Tuy Province. The documents indicate that the Communists hope in part to interdict lines of communication in Phuoc Tuy and to force allied units on to the defensive. This area is of considerable strategic importance to the Communists. Infiltration routes from the sea coast, for example, run inland through Phuoc Tuy.

Continuing Heavy Infiltration

Reports from captured prisoners and defectors since 1 January suggest that high levels of North Vietnamese infiltration are being maintained. Most of this activity is taking place through the DMZ area and from the Laos panhandle adjacent to the two northern provinces of South Vietnam.

SECRET

25X1
25X1

[REDACTED] Communist units have been moving through the Laos panhandle and the Demilitarized Zone. One North Vietnamese soldier captured in early February stated that his company (the first unit of the 341st Division to infiltrate) entered South Vietnam in late January. Other reports suggest that elements of as many as five regiments may now be deployed against US Marine forces in Quang Tri Province. Several defectors have reported the arrival of groups of replacement personnel in various areas of northern South Vietnam.

Truck Traffic into Laos

Communist supply activities in Laos are also continuing at significant levels. Most of the outstations on this network are located along roads and trails in the Laos panhandle.

Ground observers report that truck traffic into Laos just south of the Mu Gia Pass remained heavy during March. Although considerably fewer trucks have been observed below Route 9 in the southern portion of the infiltration corridor, reports from friendly guerrilla teams point to a high level of supply activity into Communist storage areas in Laos near South Vietnam.

Local Elections in South Vietnam

South Vietnam's rural populace will begin in April to go to the polls for the second time in seven months, this time to elect the chiefs of about 4,500 hamlets as well as the councils for nearly 1,000 villages. The elections authorized by government decrees of late 1966 and early 1967 sanction in principle the constitution which has now been fully ratified and is due for promulgation on 1 April.

In the local elections, approximately 2.2 million peasants will be eligible to vote from a base of about five million people who constitute somewhat less than 40 percent of the total rural population. Additional elections may be held in any substantial new areas that are secured during the year. Some three million people who live in the provincial and district capitals and in the six autonomous cities will not participate.

By holding rural elections now, the government hopes to demonstrate once again its willingness to involve the people in the governmental process and to dispel deep-rooted peasant views of the government as a source of oppression.

SECRET

SECRET

By holding rural elections now, the government hopes to demonstrate once again its willingness to involve the people in the governmental process and to dispel deep-rooted peasant views of the government as a source of oppression.

In the last few weeks, the Viet Cong have mounted a considerable propaganda effort designed to keep the rural people away from the polls. In an effort to minimize harassment, the elections are being staggered in different areas over a two-month period so that provincial security forces can more easily concentrate to protect voters.

Viet Cong intimidation tactics have already resulted in cutting the number of candidates willing to file for election. Potential candidates are well aware that hamlet chiefs have

been the most frequent targets of Viet Cong assassination and abduction. Most of the candidates for the village councils are from the presently appointed or elected councils. If the trend of only slightly more than one candidate per seat continues, there will be little in the way of real contests.

Hanoi On Negotiations

Although Hanoi has not yet published any official reply to the UN secretary general's peace proposal of 14 March, a North Vietnamese Foreign Ministry spokesman was openly critical of its conditions in a press conference on 27 March. The spokesman assailed the cease-fire provision of the proposal in a manner suggesting that Hanoi still will not agree to any restrictions on its own military activities as a concession to get talks under way.

25X1

* * *

SECRET

CHINA'S CULTURAL REVOLUTION MARKS TIME

The cultural revolution in Communist China appears to be marking time. During the past week authorities in Peking have continued their efforts to restore order, to construct new administrative machinery from the shattered government and party apparatus, and to bring the Red Guards under tight control.

A congress of Peking middle-school Red Guards on 25 March brought the capital one step closer to formal establishment of a "tripartite alliance" to replace the former city government. This rally and two similar events on 19 and 22 March were all attended by the same group of ranking government, party, and military figures--possibly the core of the new Peking "revolutionary committee."

What may be the model for new provincial government machinery has emerged in Shansi. On 23 March, Peking radio publicized the "Shansi Provincial Revolutionary Committee." This organization has 14 administrative bodies, presided over by a 27-member standing committee, and has incorporated the functions of 31 former provincial party and government organs. The chairman is a former pro-

vincial party secretary who was also named as chief of the new Shansi party organization on 23 March. A former political commissar and six former provincial- and municipal-level officials have been appointed vice chairmen.

Official media and posters continue to identify new "revolutionary cadres"--former provincial and local party leaders now stamped with Peking's approval. Pan Fu-sheng, former first secretary in Heilungkiang, received a new endorsement on 25 March. At least five other former provincial-level party officials and a larger number holding less important positions have received similar treatment and are now being cited as having leading roles.

Red Guards and "rebel detachments" continue to be disciplined, and in some cases disbanded. Provincial broadcasts have reported the suppression of such "counterrevolutionary" groups, most of which were clearly acceptable to Peking during the December-January power drive.

On 25 March, Premier Chou En-lai and Madame Mao told a

SECRET

SECRET

rally of middle-school Red Guards in Peking that from now on they were to "make revolution" in school. A resolution issued by the newly formed Red Guard Congress informed the students that they were to keep an eye on the country "from their classrooms."

Peking continues to show concern over the economic situation. On 19 March, Chou En-lai ordered a suspension of "power seizures" in rural areas for the duration of the busy farm season. On 22 March, Chou and cultural revolution official Chen Po-ta together told workers at a Peking conference that the eight-hour day must be maintained and revolution relegated to after-work hours. These measures followed steps started last month to moderate attacks against managerial and supervisory personnel, whose expertise has been belatedly recognized as vital. Most workers and peasants have apparently returned to their jobs and the new leadership organs composed of army, party stalwarts, and worker-peasant representatives appear to have restored some authority over production work.

The losses in industrial production suffered so far cannot be measured. In the few areas where there is enough evidence to estimate levels of activity--freight handling at ports, for instance--disruptions to work appear not to have caused serious losses. During January and early February, however, there were reductions in industrial output.

The cultural revolution did not spread to the countryside until the slack season and therefore has had little immediate effect there. The winter wheat crop which has been in the ground accounts for about a tenth of the year's total grain output. This wheat, however, has required only minor tending and the size of the harvest in May-June will depend largely on rains in April. There have been some delays in preparations for spring farm work which has just begun. Although a concentrated work effort could compensate for these delays, it is too early to predict whether any losses in food output will result.

25X1

* * *

SECRET

* * *

SECRET

SECRET

EUROPE

European Communist parties are going ahead with preparations for their top-level meeting on European security in Karlovy Vary, Czechoslovakia, on 24 April, amid signs of continuing differences. Further bilateral contacts are taking place, and the Czech and Italian parties reportedly are redrafting documents prepared earlier by the Poles and French that were considered to be too inflexible in terminology. Yugoslavia and Rumania, the only ruling parties, apart from Albania, which did not attend the preliminary meeting in Warsaw last month, oppose the April conclave in principle, and are not expected to attend.

Several touchy issues will be discussed at the first ministerial level meeting of the NATO Nuclear Planning Group in Washington next week. For instance, the Turks will present a paper on atomic demolition mines which could raise the delicate question of the prior delegation of authority to detonate them. The Germans will lead a discussion on "host country problems" including the question of "special influence" allied countries should have over the employment of nuclear weapons on their territory.

The Eighteen Nation Disarmament Conference remains in recess while efforts continue to meet or overcome reservations to the nonproliferation treaty voiced by many of the have-not nations.

25X1

SECRET

25X1

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5

25X1

EASTERN EUROPEAN WINTER GRAIN PROSPECTS GOOD

The prospect for the winter grain crop--wheat, rye, and barley--in Eastern Europe is even better than last year. A good crop together with the carryover from last year's good harvest should result in substantially reduced import requirements.

Winter grain was seeded earlier and under more favorable conditions in the south than the year before. Moreover, a larger area was seeded. Most plantings were well developed by winter and losses were minimal. Soil moisture as of mid-March was considered adequate for sustained growth of the fall grain and germination of spring grain.

The area planted to early spring crops is expected to be about the same as last year. Above-normal rainfall in the next six weeks, however, could delay timely planting and thereby reduce the acreage planted to these crops.

The efforts of the East European regimes to raise grain production are reflected in increased allocations to grain farmers of chemical fertilizer, insecticides, certified seed, and machinery. Whether this year's production of small grains can equal or surpass the record level of 1966 depends on the weather during the coming months.

Eastern European grain imports for the year ending in June 1967 are forecast at 7.1 million tons, 1.5 million tons less than in 1966. The free world's share of these imports is expected to be reduced from two thirds of the total last year to less than one half. This is because of a sharp drop in Yugoslavia's wheat import requirements and because of the USSR's willingness to increase grain exports to Poland. US grain sales to Eastern Europe this fiscal year are expected to drop from two and a half million tons to about one million.

25X1

25X1

SECRET

SECRET

CZECHOSLOVAK ARMS SALES

Arms sales to underdeveloped countries, particularly in the Middle East, are becoming increasingly important in Czechoslovakia's export drive. One of the most saleable items is the Czech L-29 jet trainer, the principal plane of its type in the Eastern European and Soviet air forces. Prague is also able to provide a wide variety of ground force equipment from its large arms industry and its stockpile of obsolescent materiel.

The Czechs apparently concluded a military supply contract with Syria last November when the Syrian prime minister and chief of the general staff visited Prague. A Czech delegation arrived in Damascus in late February presumably to review requirements and work out delivery schedules. The contract reportedly provides for small arms, antiaircraft guns, and L-29 jet trainers. An estimated \$10 million worth of Czech military equipment including 20 L-29 jet trainers was delivered to Syria under two earlier contracts.

Negotiations for the first Czech-Iraqi arms deal are believed to be under way. Late last year a military mission headed by Iraq's chief of staff went to Prague to inspect a wide variety of Czech military equip-

ment. At that time, Iraq reportedly expressed interest in L-29s and some ground forces equipment. The Czechs have been invited to send a military delegation to Baghdad, but no date for a visit has been fixed.

The Czechs reportedly sold 60 L-29s to Egypt in 1966; 46 of these have been delivered.

The first delivery of military equipment to Cyprus, under a \$1-million contract, was made in late November. As a result of Turkish protests, however, additional deliveries have been held up. Czechoslovakia also shipped small arms to Indonesia's police force earlier this year.

The Czechs are trying to sell equipment for munitions industries to Iran. Discussions have been held in Prague on the type of equipment the Czechs could supply.

Prague sells some small arms, light aircraft, and associated equipment to underdeveloped countries through Omnipol, a state trading corporation. Omnipol representatives are active throughout Asia and Africa, and are in contact with some Latin American countries.

25X1

SECRET

SECRET

UN ECONOMIC COMMISSION FOR EUROPE TO HOLD 20TH ANNIVERSARY SESSION

A ministerial meeting of the United Nations Economic Commission for Europe (ECE) opening in Geneva on 11 April--the commission's 20th anniversary session--is focusing attention on the ECE's role in East-West detente. There has been interest both in Eastern and Western Europe in revitalizing the ECE to promote economic cooperation. It remains to be seen, however, whether the Eastern Europeans will abandon the propaganda attacks which have characterized past ECE meetings and whether the Westerners have dropped their generally passive attitude toward the organization.

Yugoslavia, in particular, would like the ECE to become the main instrument for the promotion of economic cooperation among European countries. Belgrade has prepared a far-reaching draft declaration on the ECE's future as well as specific resolutions on industrial cooperation, preparations for the second session of UNCTAD, and tourism. A draft declaration--with more propaganda overtones--has also been submitted by the USSR, Bulgaria, and Czechoslovakia. A Rumanian resolution calling for closer scientific and technical cooperation could involve the ECE in some duplication of activities now under way in OECD and NATO.

In an effort to set a precedent for East-West cooperation, Belgium and Poland are

co-sponsoring a resolution calling on the ECE to undertake a study of "long-term trends in the economic structure of Europe." The Belgians, with Dutch support, argue that if the ECE is to play a role in bridge-building, the organization will have to be rejuvenated and changed in character.

Serious efforts to obtain a "new look" for the ECE may still lead to friction in both the Eastern and Western camps. In a recent Western caucus, the US and West Germany emphasized the need for united Western action on all resolutions submitted by either East or West, while the French representative contended that on some resolutions bilateral comments would be in order.

25X1

The Soviets are likely not only to continue to allude to such topics as Vietnam in ECE forums but also to restate their traditional insistence on getting most-favored-nation treatment from the West, thus effectively preventing real progress on East-West trade issues in the ECE.

25X1

SECRET

SECRET

POLITICAL IMPLICATIONS OF ITALY'S FIVE YEAR PLAN

The Moro government has scored a tactical victory by getting Italy's long delayed Five Year Economic Development Plan (1966-1970) through the Chamber of Deputies. The sweeping social and political reforms that the plan calls for will be sources of discord within the governing coalition, however, and little progress is likely on the heavy volume of legislation necessary to implement the plan before the 1968 national elections.

Approval of the plan on 17 March came in the wake of an oft-postponed "summit" meeting of coalition leaders to set legislative priorities. The meeting appears to have led to a temporary reduction in the almost constant political tension which has plagued the government over the past two months.

The plan is expected to become law when it goes to the Senate after Parliament reconvenes on 3 April. It provides a framework for government economic, financial, and social policy. Socialist Budget Minister Pieraccini has described it as the "very heart" of the center-left's program, and its formal approval will be given heavy play by the coalition parties in their national election campaigns.

Parliament already has acted on some of its key elements--agricultural reform and the reorganization of the Budget Ministry. Parliamentary committee approval of the bill on hospital reform is a further positive development. Another is Moro's recent success in working out an acceptable com-

promise on civil servants' salaries. If he had failed to hold the line on this issue the plan's provisions for an "incomes policy" could well have been jeopardized. Nevertheless, deep-seated differences over such matters as school reform, urban development, and taxation can be expected to slow down the pace of approval.

At this stage, the Christian Democrats are not likely to push hard for controversial reforms, despite public statements to the contrary. The party has an eye on the conservative vote in 1968, and is apparently looking at its political future with increasing confidence. The Socialists are concerned that the slow pace of the government's program will mar their electoral image, but Vice Premier Nenni appears to have curbed those elements within his party who have been advocating withdrawing from the government. Nevertheless, the Socialists are making little progress toward genuine unification, and some fear that their party's current disarray will hurt its performance in the important Sicilian elections in June.

Even when enabling legislation for the plan is enacted, effective national economic planning will face formidable administrative obstacles. The Italian bureaucracy is poorly equipped by experience and training for the task, and successful implementation of the plan will depend heavily on a thorough reform of Italy's outmoded and inefficient administrative apparatus.

25X1

SECRET

SECRET

SOUTH ARABIA - ADENI NATIONALISTS THREATEN MORE TERROR

Adeni nationalists have announced that they intend to intensify terrorism after the arrival of a UN mission on 1 April. They want to prove their contention that the South Arabian Federation Government has no popular support.

The fundamental hostility between the urbanized Arabs in Aden and those of the 16 tribal sheikdoms which constitute the rest of the Federation is exacerbated by the Federation's potential role in intra-Arab power struggles. Egypt's Nasir wants to prevent the installation of a moderate government or one under Saudi Arabian influence when the British leave next year. Egyptian-backed nationalist groups have intimidated many Adenis from participating in the federal government, which they claim is a device for perpetuating British influence. The Egyptian-backed Front for the Liberation of the Occupied South Yemen (FLOSY) is demanding

that Britain and the UN mission deal exclusively with it as the sole representative of the Adeni people. FLOSY is not threatening members of the UN mission, but it has probably made most Adenis afraid to talk to them.

London is doing what it can to put together a government that might survive independence, and still hopes to persuade some Adeni nationalists to participate in the federal government. No other vehicle acceptable to the British for South Arabia's independence is in sight. Some British troops may remain in the area for a few months after independence to back up local forces as they take over security responsibilities. The British are pessimistic, however, and realize that civil war will almost certainly follow their departure. They are, nevertheless, determined to be out of South Arabia sometime next year.

25X1

* * *

SECRET

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5
SECRET

* * *

SECRET

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5

SECRET

MIDDLE EAST AFRICA

Aden is bracing for more violence, with nationalist groups determined to prove to the UN mission due there on 1 April that the South Arabian Federation should not be the successor government to the British next year. Observers, speculating on the purpose of Soviet Foreign Minister Gromyko's hastily arranged current visit to Cairo, think Aden is on his agenda.

In Lebanon, the more powerful politicians--who do not want a revival of the 1958 fighting--are apparently not inclined to let quarrels between pro- and anti-Nasir elements get out of hand.

There is little significant news from India, where Congress Party leaders are still trying to determine how they will cope with the political uncertainties with which they must now live. They are also reviewing India's military security position and are under new pressures to consider developing nuclear weapons.

The Greek political climate is more than usually stormy and dominated by pre-election maneuverings between conservatives and their feared rivals--the Papandreous and their Center Union party. (An article on page 22 covers several of the week's developments.)

Several African problems may be easing. The Government of the Somali Republic has apparently decided against a violent response to the pro-French referendum in French Somliland and to pursue its claims in the diplomatic arena. There is dissension over this decision in Mogadiscio, however, and neither the Ethiopians nor the Somalis have pulled their troops back from the border. In Nigeria, the leaders are at least talking over their differences. Although any early agreement seems doubtful, the threat of a physical showdown has receded.

There is political confusion, however, in the small West African state of Sierra Leone where a new military regime is installing itself. (See page 18).

25X1

SECRET

SECRET

ARMY TAKES POWER IN SIERRA LEONE

The new military regime in Sierra Leone which seized power on 23 March appears likely to be able to establish effective control over the country for the present despite the abrupt reshuffle in its leadership a few days after its formation. Political tension in the countryside has eased and Freetown is quiet.

Senior army officers accomplished the coup without bloodshed after the closely contested 17 March general election, which resulted in an almost dead heat between the country's two major parties, and after army chief Lansana intensified the post-election crisis by intervening in behalf of incumbent Prime Minister Margai. They proclaimed a temporary military regime headed by an eight-man National Reformation Council (NRC), patterned after Ghana's ruling military council. While personal and professional grievances against Lansana account in part for their move, the officers were also apparently genuinely concerned over Lansana's extraconstitutional power play and fearful that growing tribal and regional antagonisms in the country would lead to open violence.

The coup leaders placed Margai, Lansana, and opposition

leader Stevens under detention, suspended certain provisions of the constitution, dissolved all political parties, but reaffirmed the country's adherence to the British Commonwealth. In an initial administrative move, they reduced the number of ministries from 14 to nine. They are relying on former top advisers to Margai and on civil servants to keep the government functioning.



SECRET

The replacement this week of the officer originally named to head the new governing council--even before he could return from his UN post--indicated that some immediate differences had arisen among the five members of the NRC actually in the country. The switch was publicly attributed to a desire for greater regional balance, but seems more likely to have resulted from the personal animosity of one of the council members, perhaps Deputy Chairman Leigh, the country's capable and respected police commissioner. Leigh appears to be the strongest member of the NRC despite his lack of military rank.

Although the ruling junta includes representatives of the principal regionally based ethnic groups, Freetown's Creoles--descendants of freed slaves--appear presently to be exerting the most direct influence. The Creoles, comprising only about eight percent of the national population, lost their political pre-eminence to tribal politicians some time ago, but have

continued to predominate in the civil service. Both the new NRC chairman, Lt. Col. Juxon-Smith, and Leigh are Creoles as are a number of the council's key civilian advisers. There are signs, however, that the Creoles are already facing a challenge from important southern tribal groups, notably the Mendes, who dominated the pre-election civilian regime.

The regime's ability to cope in the long term with the country's serious political and economic problems is open to question. Additional reshuffling of the ruling junta is likely, and Juxon-Smith, who is politically ambitious [REDACTED]

25X6

[REDACTED] may have difficulty establishing and maintaining control. Despite the junta's promise to restore civilian government "in the shortest possible time," extended military rule appears likely, thus increasing the possibility that deep-seated army factionalism will emerge.

25X1

* * *

SECRET

NIGERIAN LEADERS SEEK TO NEGOTIATE

Nigeria's feuding leaders now appear to be making a sincere attempt to negotiate their most serious differences, but the gap between their positions is still so wide that an early agreement is doubtful.

The crucial issue now is whether the federal government or the four regions should collect and dispense revenues. The East, which urgently needs more money to finance refugee resettlement, is apparently willing to live with what it considers objectionable features of the recent decree revising the constitution, if financial problems can be ironed out.

Since February, Eastern Governor Ojukwu has been threatening to take control after the end of the fiscal year on 31 March of all revenue generated in the oil-rich East if no agreement is reached and reportedly has drafted an edict to this end. According to Ojukwu's economic

adviser, he will, however, withhold his edict if the federal government turns over some \$16 million he claims it still owes the East and if it agrees to hold financial talks outside Nigeria by 14 April between Gowon, head of the federal government, and the four regional governors.

Meanwhile, Ghana's General Ankrah is continuing his efforts to bring about an accord between Ojukwu and Gowon. Ojukwu made a recent visit to Accra, and a Ghanaian delegation spent a few days in Ojukwu's capital. There have also been meetings of civilian advisers and financial representatives from Lagos and the four regions, and Western Governor Adebayo and two other members of the Supreme Military Council have visited the East for talks with Ojukwu.

Ojukwu did not accept an invitation to a meeting of the council on 30 March which presumably discussed his financial conditions.

25X1

* * *

SECRET

SECRET

25X1

SECRET

GREEK POLITICS ENTER CRISIS PHASE

A week full of political maneuvering has once again heated up the political atmosphere in Athens.

Early in the week right-wing pressure resulted in the replacement of the chiefs of the National Defense General Staff and the Royal Gendarmerie, both of whom were regarded as being supporters of Center Union (EK) party leader and ex-premier George Papandreou. This action may have been the first in a series of possible moves to curb the activities of the EK, especially those of Papandreou's son Andreas, and improve the electoral chances of the conservative National Radical Union (ERE) in the planned May parliamentary elections. Although the senior Papandreou expressed "deep sorrow" at the government action, his statement suggested that he would not easily be provoked into bringing down the government and thereby risk a postponement of the elections.

During a parliamentary session on 29 March, however, the EK offered an amendment to the draft law for administering the elections which would grant immunity from arrest to all candidates. The amendment was obviously intended to protect Andreas against possible government action after the dissolution of Parliament prior to the official beginning of the political campaign. A lifting of Andreas' parliamentary immunity had been asked earlier by the government because of his alleged role in the so-called Aspida military conspiracy. This request was not expected to get parliamentary approval, but the EK's insistence on passage of its electoral amendment has brought the country to a new crisis phase.

It is still unclear just how these developments will evolve, but the week's events are indicative of the kind of grappling for tactical advantage which now dominates Greek political life.

25X1

* * *

SECRET

SECRET

WESTERN HEMISPHERE

Some hemisphere leaders suspect that Cuban support is behind the stepped-up insurgency in Bolivia, Colombia, and Venezuela, and their concern seems certain to be reflected at next month's summit meeting in Uruguay.

Venezuelan President Leoni has taken the diplomatic lead in discussing with other governments the possibility of some new multilateral action against Castro. Although sanctions probably will not be formally proposed during the summit conference itself, the subject can be expected to come up in the preliminary foreign ministers' meeting and in bilateral talks between chief executives during the conference itself. Interim President Arosemena of Ecuador reportedly plans to blast Castro during his formal speech at the summit, and other presidents may do the same.

Meanwhile, preparations for the 12-14 April summit meeting are continuing apace. The one-month-old Gestido administration in Uruguay appears to be doing a creditable job of making the many arrangements that are vital to the success of the meeting. At this point, none of the anticipated administrative or security problems connected with the meeting appears serious.

Uruguayan Communists have mounted an intensive antisummit propaganda campaign that probably will become even more shrill as the meeting date approaches, but most Uruguayans approve having the meeting in their country. Communist-led university students and workers are threatening a 70-mile "march" from Montevideo to Punta del Este on 6 April to protest the meeting; a general strike at some unannounced date and other protest demonstrations are also being planned, but local security forces are believed generally capable of maintaining control and protecting the conference participants.

25X1

25X1

SECRET



BOLIVIA

0 100 200
MILES

56138 3-67 CIA

25X1

SECRET

GUERRILLA ACTIVITY BREAKS OUT IN BOLIVIA

Guerrilla activity has broken out in a mountainous area around Camiri in southeastern Bolivia. On 23 March, a 22-man army patrol on a survey mission was ambushed by a guerrilla band of undetermined size. Seven soldiers were killed, and the rest, including five or six wounded, were captured. All were later released, after being relieved of their weapons and equipment. The returnees claim that the guerrillas were well armed and obviously well financed, and that they included both Bolivians and "foreigners." The incident has been confirmed by US military officials now in the area.

The guerrillas involved are probably members of a band formed recently in the Santa Cruz region by Moises Guevara, a former member of the central committee of the pro - Chinese Communist Party (PCB/C). Guevara was expelled from the party in October 1966 for advocating independent guerrilla operations. Guevara's

group is reported to number about 60 men, and to be composed of pro-Chinese political mavericks and assorted adventurous fanatics.

25X1

The government has sent about 300 troops to the area in an attempt to isolate and destroy the guerrilla force. This effort is hampered, however, by lack of equipment and experience. The guerrillas probably cannot hold out long against a concentrated military drive, but if they have additional victories other extremists might be encouraged to attempt violence.

25X1

PANAMA WANTS CANAL TREATIES WITH US SIGNED BY JUNE

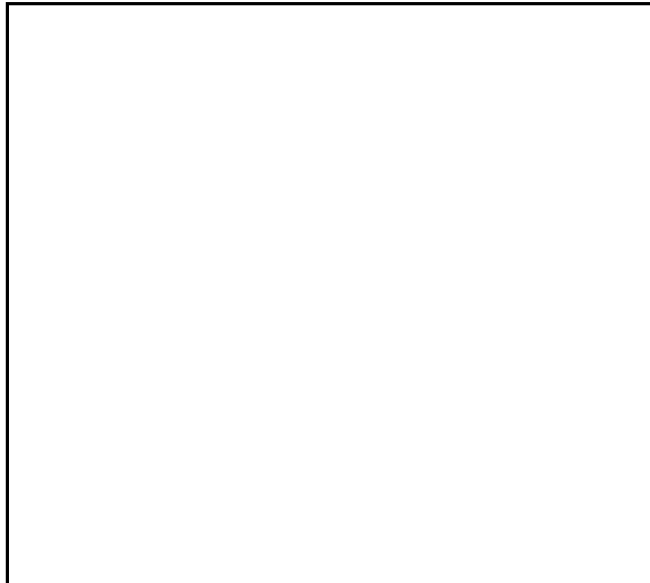
The Panamanian Government hopes that discussions between Presidents Johnson and Robles at next month's Punta del Este conference will set the stage for an early conclusion of the 27-month-old negotiations on new canal treaties.

25X1

SECRET

SECRET

25X1



Robles presently controls
30 out of 42 votes in the assem-

bly, and under normal circumstances this is more than enough to win approval of the treaties. Political leaders, however, already are jockeying for position in the campaign and Robles is not sure how long he can hold his seven-party coalition together.

Meanwhile, spokesmen for opposition Panamenista Party leader Arnulfo Arias are becoming increasingly vocal in expressing their concern over the outcome of the talks. They allege that US economic assistance to the Robles government is deliberately designed to help Robles put across the treaties and ensure the government candidate victory in the 1968 elections.

25X1

STEPPED UP INSURGENCY IN COLOMBIA

Colombian guerrillas have carried out more serious attacks on government forces in the past month than they had in the preceding 12.

The government has reacted with increased military and police vigilance and has rounded up alleged subversives throughout the country. In addition, President Lleras is inclining toward support of Venezuelan diplomatic moves against Fidel Castro.

The five recent attacks coincide with stepped-up insurgency in neighboring Venezuela and a harder line taken by Castro in support of insurgency in Latin America. No evidence has come to light that the Colombian in-

surgents have received any significant outside aid, and they can hardly keep up the present pace without it.

Two subversive organizations appear to be involved and to be cooperating to some extent despite past personal, political, and ideological differences. It appears highly unlikely that these differences have been overcome, but some modus vivendi has apparently been reached.

The guerrillas are not strong enough to threaten the stability of the government at this time. However, a continuation of the present pattern of attacks could cause serious political difficulties.

25X1

SECRET

SECRET

CHILEANS TO ELECT MUNICIPAL GOVERNMENTS

The municipal elections on 2 April will provide an indication of the support that President Frei and his Christian Democratic Party (PDC) retain among the general Chilean population. Frei has put his prestige on the line, and is campaigning throughout the country in support of local PDC candidates.

Much of the PDC campaign is being directed from the national party headquarters in Santiago. In some industrial areas, however, PDC candidates believe that the national leadership is not "revolutionary" enough and are eschewing identification with the Santiago group. Furthermore, Frei has blunted the effectiveness of his personal campaigning by resorting too often to this approach.

Chilean municipal elections usually hinge on local issues, and this tradition is certain to persist to some extent in 1967. However, Frei has injected national issues to an unprecedented extent since the opposition-controlled Senate refused in January to grant him permission to visit the United States.

The Communist Party stands to gain most from the elections. It is carrying out a well-organized, well-financed campaign, and has an excellent chance of replacing the Radical Party (PR)

as the second largest in Chile. Dissension within the PR is contributing to its muddled campaign. The leftist faction, which controls the National Executive Committee and was instrumental in marshaling the PR votes to defeat Frei's US trip, has alienated many of the party's long-time supporters who provide much of its financial backing. Neither the conservative National Party nor the Socialist Party is expected to make a particularly strong showing.

If the PDC approximates its 1965 congressional election vote of 42 percent, the government's position will be strengthened and some of the PR senators may be weaned away from the present informal opposition grouping. If the vote for the PDC falls substantially below the 1965 level, Frei almost certainly will face increased problems in enacting his reform program and the left wing of his party will be strengthened. In any case, the other parties probably will claim that a PDC vote of less than 50 percent is a repudiation of Frei's government. If all opposition parties continue to cooperate, they can block government initiatives in Congress, regardless of the results of the municipal elections, since the PDC does not control the Senate.

25X1

SECRET

SECRET

DOMINICAN PRESIDENT REACTS TO ATTACK ON IMBERT

President Balaguer is attempting to forestall serious antigovernment repercussions arising out of the 21 March assassination attempt on right-wing political opportunist Antonio Imbert. Balaguer has already named a new minister of interior, Luis Amiama Tio, and a new police chief, General Ramon Soto, in an effort to blunt suspicions of government involvement in the attack.

Amiama--who like Imbert is one of the surviving assassins of Trujillo--saw in the attack a danger to his personal security. He had been increasingly critical of Balaguer for permitting associates of the late dictator to occupy influential government posts and in accepting the job indicated he would work for their removal or downgrading. Amiama's criticism of the police investigation of the Imbert attack seems to have been a key factor in Balaguer's decision to name a new police chief.

The new police chief, however, may not have Amiama's confidence. Soto has demonstrated a predilection for strong-arm tactics and is suspected of involvement in the excesses of the Trujillo dictatorship. His political loyalties seem to run to

the same group of "trujillista" palace advisers whom anti-Trujillo rightists find so objectionable.

In addition to making personnel changes, Balaguer has taken other actions that have at least temporarily stilled fears and suspicions among the anti-Trujillo right. He has personally repudiated the attack and has said he may seek foreign assistance in investigating it. Amiama has announced that several relatives and associates of the Trujillo clan--which has vowed revenge for the dictator's murder--are being held for questioning.

Balaguer has displayed some dissatisfaction with the activities of "trujillista" palace aides, who often appear to act independently of him.

25X1

Balaguer seems reluctant to sever ties with these officials who have long been among his close supporters. Now he may be forced to do so or face an open break with conservatives like Amiama who retain significant political and economic power along with some influence in the military.

25X1

SECRET

25X1

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5
Secret

Secret

Approved For Release 2007/03/06 : CIA-RDP79-00927A005700060001-5